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7 June 1977

MEMORANDUM FOR:

Deputy Director for Operations

FROM

Special Assistant to the DDO

for External Oversight

SUBJECT

Actions of the SSCI Which Suggest an Intention Not Only to "Oversee," but to "Direct" and "Control" the Activities of the U.S. Intelligence

Community Including CIA

For those in the Directorate of Operations who work closely on matters of interest to the Senate Select Committee on Intelligence (SSCI), there appears to be some indication that the current intentions of the SSCI could lead to interests and responsibilities beyond that of "oversight" and into the Executive responsibilities of "direction" and "control" of the U.S. intelligence community. This trend can be discerned in individual requests and in comments made at the 18 April 1977 CA briefing of the Committee; it is also evident in certain commentary related to the SSCI's review of, and action on, the CIA FY 78 budget; throughout a speech given by the SSCI Chairman, Senator Daniel K. Inouye, to the American Society of Newspaper Editors on 2 May 1977; in the Annual Report to the Senate of the Select Committee on Intelligence, May 1977, and in the proposed National Intelligence Act of 1977.

| The | following | examples | are | pertinent: | |
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WARNING NOTICE SENSITIVE INTELLIGENCE SOURCES

AND METHOD. Approxed For Release 2005/06/30 CIA-RDP79M00983A001500060024-1

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| 25X1 | CENTRAL INTELLIGENCE AGENCY Office of Legislative Counsel Washington, D. C. 20505 Telephone: 7 June 1977 |
|------|--|
| | TO: Mark Gitenstein Senate Select Committee on Intelligence staff Washington, D.C. 20510 |
| | Mark: |
| 25X1 | Here is a fact sheet on the Gift Amendment to H.R. 6689, which I believe talked to you about. |
| 25X1 | |
| | |
| | FORM 1522 OBSOLETE (40) |

SSCI 77-0618/A

Approved For Release 2005/06/30: CIA-RDP79M00983A001500060024-1 FOREIGN GIFT AMENDMENT TO THE FOREIGN RELATIONS AUTHORIZATION ACT OF 1978

On 16 May 1977, the Senate Committee on Foreign Relations favorably reported on H. R. 6689, the Foreign Relations Authorization Act of 1978. The bill contains, among other things, a provision that would place restrictions on the exchange of gifts between U.S. Government employees and foreign persons. It would require that all the circumstances surrounding the receipt of a gift by a U.S. employee be detailed in a report published in the Federal Register. This provision requiring Government employees to report publicly on gifts received from foreign persons could result in public disclosure and the identity of critical intelligence sources of the United States.

Specifically, section 458 of H.R. 6689 requires that statements filed by employees must be published in the Federal Register and include the following information:

- 1. the name and position of the employee;
- 2. a brief description of each gift accepted;
- 3. the foreign government and the name and position of the individual who presented each gift;
 - 4. the date of acceptance of each gift;
- 5. the estimated retail value in the United States of each gift at the time of acceptance; and
 - 6. disposition or current location of gift.

CIA maintains extremely confidential relationships with foreign persons, foreign officials, and foreign liaison services. On behalf of the U.S. Government, the Agency obtains from these individuals and organizations critical intelligence information. These foreign persons and organizations frequently maintain their relationship with CIA at great risk to themselves and do so only under absolute assurances of confidentiality.

| On occasion these individuals and organizations give gifts to their |
|--|
| Agency counterparts. The Agency currently handles these gifts under |
| section 7342 of Title 5 U.S.C. and has also issued internal regulations |
| directing that foreigners be discouraged from presenting expensive gifts |
| to Agency personnel |

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Of course, the Agency would willingly comply with the substantive provisions of section 458 requiring the deposit of gifts for disposal by GSA. However, publication of the circumstances surrounding the giving of gifts would betray the identity of confidential sources and, cumulatively, the scope of clandestine collection activity.

In order to protect the integrity of our Government's clandestine collection program, section 458(f) should be amended to include the following provisions:

"In compiling such a listing of statements filed by employees of the CIA, the Director of Central Intelligence shall not include statements, the publication of which he believes would adversely affect the intelligence interests of the United States."